

ORIGINAL

RECEIVED

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

JUL 21 2014
PUBLIC SERVICE
COMMISSION

Phone: (859) 498-0521

Fax: (859) 498-0872

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY. 40602

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective August 01, 2014.

The District will publish the notice of the new rates in the local newspaper no later than the issuance of the first bill at the increased rate.

Sincerely;

Sandra Cole

enclosure

RECEIVED

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

JUL 21 2014
PUBLIC SERVICE
COMMISSION

Name of Utility	Montgomery County Water District #1	
Date	July 01, 2014	
Address	4412 Camargo Road	
City, State, Zip	Mt. Sterling, Ky. 40353	
Telephone Number	(859) 498-0521	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water & Sewer	2.46	2.77

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	June 2013	through	May 2014
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Mt. Sterling Water & Sewer	41,987,633
TOTAL PURCHASES	41,987,633
4. Total gallons sold for the 12 month period	35,169,340
5. Increased water cost	13,016.17
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.38
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	August 01, 2014
	
Signature of Utility Officer	
Chairman	
Title	

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
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Monthly Water Rates

CURRENT

\$21.89 MINIMUM BILL
NEXT 3,000 GAL \$6.80 PER 1,000 GAL.
NEXT 5,000 GAL. \$6.08 PER 1,000 GAL.
OVER 10,000 GAL. \$5.36 PER 1,000 GAL.

PROPOSED

\$22.65 MINIMUM BILL
\$7.18 PER 1,000 GAL
\$6.46 PER 1,000 GAL.
\$5.74 PER 1,000 GAL

WHOLESALE CUSTOMERS \$2.61 PER 1,000 GAL

\$2.99 PER 1,000 GAL.

MONTGOMERY COUNTY WATER DISTRICT #1

4412 Camargo Road

Mt. Sterling, KY 40353

Phone: (859) 498-0521

Fax(859) 498-0872

Water Sold 2013-2014

June	2,946,090
July	3,141,590
August	2,862,640
September	3,259,420
October	2,703,120
November	2,849,860
December	2,667,500
January	2,843,760
February	3,732,000
March	2,620,030
April	2,872,360
May	2,670,970
TOTAL	35,169,340

Customer History Report

Service Type All Use Reading Factor Print Transaction In Descending Order
 AR Code WTR Water Billing - Charge Start Balance With Zero
 Beginning Date 05/01/2013 Print Breakdown By Transaction Service Taxes Totals Only
 Ending Date 06/26/2014

History For Account 0019-00400-001 Water, Montgomery County

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
05/09/13	05/09/13	WTR	Water Billing kayes	WATER	02 3,196,819	\$7,689.87	\$0.00	\$0.00	\$0.00	\$7,689.87
06/07/13	06/07/13	WTR	Water Billing kayes	WATER	02 3,866,836	\$9,318.59	\$0.00	\$0.00	\$0.00	\$9,318.59
07/09/13	07/09/13	WTR	Water Billing kayes	WATER	02 3,573,869	\$8,613.02	\$0.00	\$0.00	\$0.00	\$8,613.02
08/09/13	08/09/13	WTR	Water Billing kayes	WATER	02 3,474,909	\$8,548.28	\$0.00	\$0.00	\$0.00	\$8,548.28
09/09/13	09/09/13	WTR	Water Billing lisam	WATER	02 3,745,460	\$9,213.83	\$0.00	\$0.00	\$0.00	\$9,213.83
10/09/13	10/09/13	WTR	Water Billing kayes	WATER	02 3,331,218	\$8,194.80	\$0.00	\$0.00	\$0.00	\$8,194.80
11/08/13	11/08/13	WTR	Water Billing kayes	WATER	02 3,318,577	\$8,163.70	\$0.00	\$0.00	\$0.00	\$8,163.70
12/09/13	12/09/13	WTR	Water Billing kayes	WATER	02 3,440,426	\$8,463.45	\$0.00	\$0.00	\$0.00	\$8,463.45
01/09/14	01/09/14	WTR	Water Billing kayes	WATER	02 3,372,209	\$8,295.83	\$0.00	\$0.00	\$0.00	\$8,295.83
02/07/14	02/07/14	WTR	Water Billing kayes	WATER	02 3,611,569	\$8,884.46	\$0.00	\$0.00	\$0.00	\$8,884.46
03/07/14	03/07/14	WTR	Water Billing connie	WATER	02 4,168,304	\$10,254.03	\$0.00	\$0.00	\$0.00	\$10,254.03
04/09/14	04/09/14	WTR	Water Billing kayes	WATER	02 2,953,702	\$7,266.11	\$0.00	\$0.00	\$0.00	\$7,266.11
05/09/14	05/09/14	WTR	Water Billing connie	WATER	02 3,130,754	\$7,701.85	\$0.00	\$0.00	\$0.00	\$7,701.85
06/09/14	06/09/14	WTR	Water Billing kayes	WATER	02 3,952,133	\$9,722.25	\$0.00	\$0.00	\$0.00	\$9,722.25
Total For Selection						\$120,329.87	\$0.00	\$0.00	\$0.00	\$120,329.87
Ending Balance						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

Exhibit

June 19, 2014

Sandra Cole
Montgomery County Water District
4412 Camargo Road
Mount Sterling, Kentucky 40353

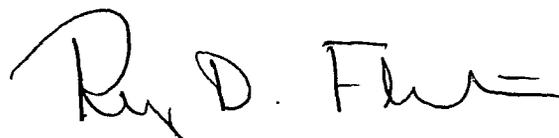
Re: Wholesale Rate Increase

Sandra,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), will soon request approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on both a Rate and Cost of Service study which was recently completed on our behalf, by a Louisville based company, Norbourne and Associates. The driving factor behind what prompted this study was the fact that Mt. Sterling has struggled to keep up with not only expenditures, but the depreciation of fixed assets as well. Being in the utility business yourself, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle not to mention the enormous cost associated the upkeep and replacement of aging infrastructure. Although this study indicated a much greater increase was justifiable, 29.23%, after much debate and deliberation an increase of 12.6% was approved by our water and sewer board at our June 16th meeting. A rate modification request will soon be filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.46/1,000 gallons to \$2.77. We have requested approval that this increase be effective August 1, 2014, should this increase be approved it will be reflected in the September billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers receive notice of any increase a minimum of 30 days prior to the implementation of said increase. Also included is a notice from PSC related to this request. In closing, thank you for your understanding as well as your cooperation concerning this matter, should you have questions or comments please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

MONTGOMERY COUNTY WATER DISTRICT #1

4412 Camargo Road
Mt. Sterling, Ky. 40353

Phone: (859)-498-0521

Fax Number (859) 498-0872

MINUTES
July 15, 2014

The regular meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. by Chairman Greg Wilson.

Roll Call:

Staff members present at the meeting were Greg Wilson, Steve Hall, Sandra Cole, Ryan Thomas, A.J. Prewitt, David Bailey and Jacob Prewitt

Approval of May 21, 2014 Special Meeting Minutes:

Steve Hall made a motion to approve minutes for the May 21, 2014 special meeting. Greg Wilson seconded the Motion. Motion carried.

Recognize Citizens and Groups:

None

Old Business:

None

New Business:

- A. Approval of Managers Report, Financial Report, Adjustments, Billing Summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills**

The board approved water adjustments and death write offs totaling \$406.07. Steve Hall made the motion to approve the Managers/Treasurers Report. Greg Wilson seconded the motion. Motion carried.

B. Approval of Water Rate Increase

Sandra let the commissioners know that Mt. Sterling Water & Sewer has sent a notice for a rate increase on the water for Montgomery County Water District #1. Montgomery County Water District #1 will only do a pass through on the rate to our customers at this time. Chairman Greg Wilson made a motion to approve the pass through. Steve Hall seconded the motion. Motion carried.

C. Change Meeting Date and Time

Chairman Greg Wilson made a motion to change the regular board meeting back to the second Tuesday of every month at 5:00 P.M. Treasurer Steve Hall seconded the motion. Motion carried.

D. Additional Comments

David Bailey let Commissioners know they have been working on automatic flushers and are waiting on more parts to come in. The parts are expected to be in the following week. They also have repaired the leak at Willoughby Heights. David Bailey also advised the Commissioners that all the system flushing has been completed.

E. Adjourn

Greg Wilson made the motion to adjourn. Steve Hall seconded the motion. Motion carried. Time 5:45 P.M.